

## **Risk Management Division**

### ***SELF INSURED LIABILITY FUND PRESENT ALLOCATION FORMULA***

(Utilized for 2007-09 biennium premiums)

#### **General Liability Indemnity Costs**

The total indemnity cost for the general liability program is allocated based on each agency's share of the losses over the most recent five year period. To account for differences in reporting lags between agencies, the percent distribution based on losses incurred during the period is equally weighted with the percent distribution based on losses reported during the period in the calculation of the agency's share of losses.

#### **Automobile Liability Indemnity Costs**

The total indemnity cost of the automobile liability coverage is allocated based on each agency's share of fiscal accident year losses over the most recent five year period.

#### **General Liability and Auto Liability Defense Costs**

Defense costs for both the general and automobile liability programs is allocated to the agencies based on each agencies share of the calendar year incurred losses during the most recent five year period.

#### **Minimum Premium**

Each agency is assigned a minimum premium of \$2,000 per biennium (\$1,000 per biennium for commodity commissions).